



Senate

General Assembly

January Session, 2013

File No. 139

Senate Bill No. 196

Senate, March 26, 2013

The Committee on General Law reported through SEN. DOYLE of the 9th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING CREDIT BLOCKS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective January 1, 2014*) No person who accepts
2 credit or debit cards for the retail transaction of business shall, without
3 the knowledge and consent of the consumer, place or allow a third
4 party to place a credit block on purchases larger than the actual
5 purchase amount for goods or services being purchased by the
6 consumer. For purposes of this section: (1) "Credit block" means an
7 arrangement between a retailer and an issuer in which the issuer, at
8 the request of a retailer, before the completion of a purchase, reserves a
9 specified dollar amount of the customer's purchasing capacity for use
10 in connection with a purchase initiated by the customer with the
11 retailer, (2) "issuer" means the entity that issued the credit card or debit
12 card or an entity that administers credit blocks on behalf of the issuer,
13 and (3) "capacity" means a dollar amount of available credit in the case
14 of a credit card, and a dollar amount of the account balance or
15 overdraft capacity in the case of a debit card.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>January 1, 2014</i>	New section
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GL *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill results in no fiscal impact as it involves transactions between private entities and individuals.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**SB 196*****AN ACT CONCERNING CREDIT BLOCKS.*****SUMMARY:**

This bill prohibits anyone who accepts credit or debit cards for retail sales from placing or allowing a third party, without the consumer's knowledge and consent, to place a credit block larger than the consumer's actual purchase for goods or services. The bill does not establish a penalty for violations.

A credit block is an arrangement between retailers and credit or debit card issuers, or entities that administer credit blocks for these companies, to reserve a specified dollar amount of the consumer's credit or account balance for use in connection with the consumer initiated purchase. The block must be at the retailer's request before purchase completion.

EFFECTIVE DATE: January 1, 2014

COMMITTEE ACTION

General Law Committee

Joint Favorable

Yea 13 Nay 5 (03/12/2013)